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UNCLAS SECTION 01 OF 02 JAKARTA 000526

SIPDIS

SENSITIVE
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DEPT FOR EAT/MTS; EAP/RSP; INP; IO/T; PM/NE
DEPT ALSO FOR OES/STC; OES/EGC
DEPT PASS TO DOE/NNSA/OFFICE OF THE SECOND LINE OF DEFENSE
DEPT ALSO PASS TO DOE/NA-25
SINGAPORE FOR DHS/COAST GUARD/PPURGANAN AND SSTOERMER

E.O. 12958: N/A

TAGS: ECON ETRD FWWT ID KNNP KTIA PREL TRGY
SUBJECT: UPDATE ON MEGAPORT INITIATIVE IN INDONESIA

REF: A) STATE 13447 B) 04 JAKARTA 4840 C) STATE

107497 D) JAKARTA 01714

(SBU) Summary and Action Request: Indonesian Foreign Ministry officials told us that the Government of Indonesia (GOI) is still developing its position on the Megaports Initiative. They presented to us a list of concerns, which they have submitted to the Foreign Minister for his guidance on next steps. Director for North and Central American Affairs Harry Purwanto agreed to meet with Department of Energy (DOE) representatives to further the discussion. ACTION REQUEST: Embassy requests that DOE recommend a date for meeting with the Indonesian Foreign Ministry in Jakarta to discuss Megaports concerns if agreeable. End Summary.

Megaports Still Under Consideration But Concerns Remain

¶ 2. (SBU) In a meeting with Deputy Director at the Directorate for International Security and Disarmament Andy Rachmianto, he said that the Foreign Ministry is coordinating with interested ministries on this issue and that they had not reached consensus. He shared the concerns of this group and emphasized that they did not originate from the Foreign Ministry alone, but from various agencies. He said that the Foreign Ministry was a key player in the discussions, however. Rachmianto told us that the GOI would take its time in examining all initiatives presented by foreign nations and that the USG should not expect a quick response. He added that the Foreign Ministry office dealing with the Megaports Initiative is understaffed.

- Rachmianto told us they had reviewed 2005-6 U.S. Government Accountability Office (GAO) reports on the Megaports Initiative and learned that the GAO had asked the DOE to study criticisms about delays in cargo shipments from some countries that had established Megaports programs.

- When a GOI study team visited the port in Surabaya, East Java, they learned that it takes approximately 8-10 minutes to scan a container using a general scanner and that the port processes 12,000 containers daily. Tanjung Priok, the site selected by DOE for installation of Megaports equipment, processes 50,000 containers daily and the GOI worries that Megaports may cause significant delays in cargo shipment flows. He added that cargo shipments from Indonesia to the U.S. are overwhelmingly consolidated in Singapore, which is already equipped with Megaports scanners.

- Rachmianto said that Indonesia is neither producing nor

exporting nuclear materials; therefore, the country is not a high risk for nuclear proliferation. He said Indonesia is importing nuclear materials for peaceful purposes under very special arrangements managed by their nuclear regulatory agencies.

- He said that dual use nuclear materials present a special problem. According to him, the detection of these materials depends heavily on intelligence, particularly in determining whether the use is licit or illicit. If the shipper had proper documentation and could demonstrate a legitimate use of dual use nuclear materials, then the GOI would not interfere. He said that the obligation to share data under the Megaports Initiative is problematic because, according to GOI intelligence agencies, it may require sharing classified information related to dual use materials with the USG.

- Rachmianto said that currently there is no legal regime for dealing with the trafficking of nuclear materials in Indonesia unless there is a clear connection to terrorism.

- He said that the Indonesian Customs agency is starting to use gamma ray scanners to detect radioactive material so the need for other types of nuclear material detection equipment was reduced. He did not know where the scanners were manufactured, but said that customs officials were scheduled to attend training in the U.S.

¶3. (SBU) Minhajudin Napsah at Indonesian Customs Directorate of Prevention and Enforcement told us that the gamma ray scanners referred to by Rachmianto are the Mobile Vehicle and Cargo Inspection System. He described it as a gamma ray system designed as a tool to conduct non-intrusive inspections of the contents of trucks, containers, cargo and passenger vehicles for explosive devices and contraband. The

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manufacturer is Safety and Security Instruments of San Diego, California.

¶4. (SBU) Purwanto and his Deputy Trini Gunarti told us in a meeting on March 11, 2008 that they would welcome a meeting with DOE representatives to discuss the GOI's concerns. Purwanto said it was his personal opinion that the objections to the Megaports Initiative were not political in nature, but involved practical considerations. He mentioned as an example that Indonesia has no law to criminalize trafficking of nuclear materials. He inquired about an invitation for GOI officials to visit Bangkok to observe an implemented Megaports program.

¶5. (SBU) Embassy is prepared to facilitate further discussions on this issue between the GOI and DOE representatives.

HUME